GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

STARRED QUESTION NO:135
ANSWERED ON:27.02.2006
INVESTMENT OF EPF MONEY
Barad Shri Jashubhai Dhanabhai;Mahato Shri Bir Sing

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) the existing pattern of investment of funds under the Employees Provident Fund (EPF) Scheme;

(b) whether the Government has worked out certain measures to maximise profit on investment of EPF; and

(c) if so, the details thereof?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 135 BY SHRI BIR SINGH MAHATO AND SHRI JASUBHAI DHANABHAI BARAD REGARDING INVESTMENT OF EPF MONEY.

(a) to (c) Investment of monies belonging to Employees' Provident Fund is made in accordance with the provisions contained in Paragraph 52 of the Employees Provident Fund Scheme, 1952 and as per the pattern of investment prescribed by the Central Government.

The existing pattern of investment, notified by Ministry of Labour and Employment for the Employees Provident Fund is at Annexure-A.

ANNEXURE-A

Annexure referred to in reply to part (a) to (c) of Lok Sabha Starred Question No. 135 for 27.02.2006

The Ministry of Labour, based on the pattern of investment notified by the Ministry of Finance, has notified the following pattern of investment on 9th July 2003-

	Percentage amount to be invested
(i) Central Government Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944); and/or units of such mutual Funds which have been set up as dedicated Funds for investment in Government securities and which have been approved by the Securities and Exchange Board of India.	25%
(ii)(a) Government Securities as defined in Sec. 2 of the Public Debt Act, 1944 (18 of 1944); created and issued by any State Government; and/or units of such Mutual Funds which have been set up as dedicated Funds for investment in Govt. securities and which have been approved by the Securities and Exchange Board of India; and/or	15%
(b) Any other negotiable securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Govt. or any State Government except those covered under (iii) (a) below	

(iii) (a) Bonds/Securities of 'Public Financial Institutions' as specified under Section 4(1) of the Companies Act, "public sector companies" as defined in Section 2(36-A) of the Income Tax Act, 1961 Including public sector banks; and/or	30%
(b) Short duration (less than a year) Term Deposit Receipt (TDR) issued by public sector banks.	
(iv) to be invested in any of the above three categories as decided by their Trustees.	30%
(v) The Trusts, subject to their assessment of risk-return prospects, may invest upto 1/3rd of (iv) above, in private sector bonds/ securities, which have an investment grade rating from at least two credit rating agencies.	